

IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

IN THE MATTER OF:

CASE NO. 18-60526

LITTLE RIVER HEALTHCARE
HOLDINGS, LLC, ET AL

DEBTORS

CHAPTER 11

THE COUNTY OF BASTROP, TEXAS, BELL COUNTY TAX APPRAISAL DISTRICT, THE CITY OF WACO, TEXAS, THE COUNTY OF MILAM, TEXAS, COMSTOCK INDEPENDENT SCHOOL DISTRICT, THE COUNTY OF WILLIAMSON COUNTY, TEXAS, THE CITY OF GROESBECK, TEXAS, AND GROESBECK INDEPENDENT SCHOOL DISTRICT'S LIMITED OBJECTION TO DEBTOR'S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) USE CASH COLLATERAL ON A LIMITED BASIS AND (B) OBTAIN POST-PETITION FINANCING ON A SECURED, SUPERPRIORITY BASIS, (II) GRANTING ADEQUATE PROTECTION, (III) SCHEDULING A FINAL HEARING, (IV) MODIFYING THE AUTOMATIC STAY, AND (V) GRANTING RELATED RELIEF

TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COME The County of Bastrop, Texas, Bell County Tax Appraisal District, The City of Waco, Texas, The County of Milam, Texas, Comstock Independent School District, The County of Williamson, Texas, The City of Groesbeck, Texas and Groesbeck Independent School District ("Texas Taxing Jurisdictions"), secured creditors in the above bankruptcy case, and file their Objection to the **Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Use Cash Collateral on a Limited Basis and (B) Obtain Post-Petition Financing on a Secured, Superpriority, Basis, (II) Granting Adequate Protection, (III) Scheduling a Final Hearing, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief (the "Motion") [Docket No. 19,43,58]**, on the following grounds:

1. The Texas Taxing Jurisdictions have filed prepetition secured proof of claims herein for ad valorem property taxes against the Debtor's personal property and real property in the amount of \$27,733.05 for the 2017 year, and an estimated amount of \$210,138.87 for the 2018 tax year.

2. The Texas Taxing Jurisdictions are political subdivisions of the State of Texas. As of January 1, 2018, liability arose and a senior lien attached to the business personal property of the Debtors for the 2018 taxes. Texas Property Tax Code Sections 32.01 and 32.05.
3. These taxes are secured with a security interest that is superior to that of any other secured claim under the Texas Constitution, Article VIII, Section 15, and the Texas Property Tax Code, Section 32.01 and Section 32.05(b). Stanford v. Butler, 826 F.2d 353 (5th Cir. 1987), 11 USC § 506; Universal Seismic Associates, Inc., 288 F.3d 205 (5th Cir. 2002); In Re Winn's Stores, Inc.; 177 B.R. 253 (Bkcty W.D. Tex 1995). In addition, the lien is a lien *in solido* and attaches to all personal property of the debtors. Texas Property Tax Code Section 32.01(b).
4. Further, the Interim Order provides that upon the sale of any of the assets, any settlement, casualty, or condemnation proceeds relating to any of the Debtors' assets or any reimbursement payment from CMS shall be paid to the Agent, for immediate application to the outstanding Secured Claim. To the extent that any property securing the Texas Taxing Jurisdictions' claims is sold or settled such proceeds constitutes the Texas Taxing Jurisdictions' cash collateral and they object to the use of its cash collateral to pay other creditors before the tax claims have been paid in full. Absent an established ad valorem tax reserve, the Texas Taxing Jurisdictions object to the application of any sale proceeds to the Secured Claim.

WHEREFORE, the Texas Taxing Jurisdictions request this Court deny the Motion unless and until all issues raised herein are resolved, and grant the Texas Taxing Jurisdictions such other and further relief, at law or in equity, as is just.

Dated: August 9, 2018

Respectfully submitted,

MCCREARY, VESELKA, BRAGG & ALLEN, P.C.

/s/Tara LeDay

Tara LeDay

State Bar Number 24106701

P.O. Box 1269

Round Rock, Texas 78680

Telephone: (512) 323-3200

tleday@mvbalaw.com

Attorneys for the Texas Taxing Jurisdictions

CERTIFICATE OF SERVICE

I hereby certify that the above Objection has been served upon the following parties as well as all parties receiving the Court's ECF service on August 9, 2018, by Electronic Notification

/s/Tara LeDay

Tara LeDay

Morris D. Weiss
Waller Lansden Dortch & Davis, LLP
100 Congress Ave., Suite 1800
Austin, TX 78701

Tyler N. Layne
Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219

Office of the US Trustee
903 San Jacinto, Suite 230
Austin, TX 78701

Department of State Health Services
Marc Connelly, Assistant General Counsel
Office of General Counsel
Austin, TX 78756-3199

Internal Revenue Service
Centralized Insolvency Office
PO Box 7346
Philadelphia, PA 19101-7346

Texas Attorney General's Office
Bankruptcy-Collections Division
300 W 15th Street
Austin, TX 78701

Texas Attorney General's Office
J. Casey Roy
Assistant Attorney General
Bankruptcy & Collections Division
PO Box 12548-MX 008
Austin, TX 78711-2548

Texas Comptroller of Public Accounts
Revenue Accounting Division
Bankruptcy Section
PO Box 13528
Capital Station
Austin, TX 78711

Texas Comptroller of Public Accounts
Revenue Accounting Division
Bankruptcy Section
Lyndon B. Johnson Office Building
111 East 17th Street
Austin, TX 78711

Texas State Board of Pharmacy
William P. Hobby Building
333 Guadalupe Street, Suite 3-500
Austin, TX 78701

Texas Workforce Commission
TWC Building
Regulatory Integrity Division
101 East 15th Street
Austin, TX 78778

US Department of Labor
Office of the Chief Accountant
200 Constitution Avenue NW, Suite 400
Washington, DC 20210

United States Attorney General
Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

United States Attorney Civil Process Clerk
601 NW Loop 410, Suite 600
San Antonio, TX 78216

Amerisource Bergen Drug Corporation
10 Riverview Drive
Danbury, CT 06810

Centennial Bank
PO Box 2188
Lubbock, TX 79408

Centennial Bank
620 Chestnut Street
Conway, AR 72032

Colonial Pacific Leasing Corporation
10 Riverview Drive
Danbury, CT 06810

Dell Financial Services LLC
Mail Stop-Ps2sf-23
One Dell Way
Round Rock, TX 78682

Ge Hfs, LLC
PO Box 414
W-490
Milwaukee, WI 53201

Ge Hfs, LLC
2 Bethesda Metro Center, Suite 600
Bethesda, MD 20814

General Electric Capital Corporation
901 Main Ave
Norwalk, CT 06581

General Electric Capital Corporation
PO Box 44
W-490
Milwaukee, WI 53201

IBM Credit, LLC
1 North Castle Drive
Armonk, NY 10504

IBM Credit, LLC
One North Castle Drive
Armonk, NY 10504

Med One Capital Funding, LLC
MB Financial Bank, NA
10712 S 1300 E
Sandy, UT 84094

Monroe Capital Management Advisors, LLC
Administrative Agent
311 S Wacker Drive, Suite 6400
Chicago, IL 60606

Olympus America Inc
3500 Corporate Parkway
Center Valley, PA 18034

Wells Fargo Bank, NA
300 Tri-State International, Suite 400
Lincolnshire, IL 60069

Wells Fargo Financial Leasing, Inc.
800 Walnut, 4th Floor
Mac M0005-044
Des Moines, IA 50309

Wells Fargo Vendor Financial Serv, LLC
800 Walnut Street
Des Moines, IA 50309

Xerox Financial Services LLC
45 Glover Avenue
Norwalk, CT 06856

Alcon Laboratories, Inc
Jason Chavez
PNC Bank Lockbox
3714 Solutions Center
Chicago, IL 60677

Alixpartners Holdings, LLP
2000 Town Center, Suite 2400
Southfield, MI 48075

American Express 1017
Shraddha Bharatia, Claims Admin
1105 Laurel Oak Road, Suite 136
Voorhees, NJ 08043

American Express 1017
c/o Zwicker & Associates, PC
Daniel Moken
100 Corporate Woods, Suite 230
Rochester, NY 14623

American Realty Capital
Healthcare Trust II
Operations Healthcare Trust Inc
Jonathan Dedellis
200 Dryden Road, Suite 1100
Dresher, PA 19025

Aramark Uniform Service Inc
Mike Fadden, President
115 N First Street
Burbank, CA 91502

Ascend Professional Consulting Inc
Mark Swartz
1391 Calder Avenue Suite A
Beaumont, TX 77701

Ascend Professional Consulting Inc
c/o Morgan Law Firm
John S. Morgan
2175 North Street, Suite 101
Beaumont, TX 77701

BBL, LLC
Jim Church & Kevin Moore
Dba BBL Construction Services LLC
302 Washington Ave Extension
Albany, NY 12203

Central Texas Pathology Laboratory, PA
601 Hwy 6, Suite 111
Waco, TX 76710

Central Texas Urology
601 W Hwy 6 Suite 105
Waco, TX 76710

Cerner Corporation
Mark C Elkins
2800 Rockcreek Parkway
Kansas City, MO 64117

Clinical Pathology Laboratories, Inc
9200 Wall Street
Austin, TX 78754

Computer Programs and Systems Inc
Evident LLC
6600 Wall Street
Mobile, AL 36695

Shi in Sleep Diagnostics, LLC
14603 Huebner Road Building 2
San Antonio, TX 78230

Fujifilm Medical Systems
419 West Avenue, Building 7
Stamford, CT 06902-6300

GA HC REITT II Temple MOB, LLC
62781 Collection Center Drive
Chicago, IL 60693-0627

GE Healthcare #14456
500 W. Monroe Street
Chicago, IL 60661

GE Healthcare Financial Services
PO Box 641419
Pittsburg, PA 15264-1419

GE Healthcare Financial Services
c/o Kutak Rock LLP
Lisa Peters
The Omaha Building
1650 Farnam Street
Omaha, NE 68102-2186

Grant Thronton LLP
Tiffany Harper
33562 Treasury Center
Chicago, IL 60694-3500

Hing-Sheung Eugene Fung, MD PA
Eugene Fung MD & Alison Fung
611 W Highway 6 Suite 101
Waco, TX 76710

Hing-Sheung Eugene Fung, MD PA
c/o Naman Howell Smith & Lee PLLC
Kerry Haliburton
400 Austin Ave Suite 800
Waco, TX 76701
Jacobs Marketing, Inc
17484 NW Freeway, Suite 276
Houston, TX 77040

Hologic Inc
Cynthia Thiers
24506 Network Place
Chicago, IL 60673-1245

Next Level Healthcare Consultants
47 South Wind Drive
Montgomery, TX 77356

Next Level Healthcare Consultants
c/o Roger G Jain & Associates, PC
Roger Jain
9310 SW Freeway, Suite 250
Houston, TX 77074

Outreach Management Solutions, LLC
Dba True Health Outreach
6710 Research Road, Suite 211
Frisco, TX 75033

Pharmerica Hospital Pharmacy Services, LLC
dba Luker Pharmacy
Bernard Richardson
1901 Campus Place
Louisville, KY 40299

Rev MD Partners, LLC
1111 Pasquinelli Drive Suite 400
Westmont, IL 60559

Sanofi Pasteur
John Healey
12458 Collections Center Drive
Chicago, IL 60693

Sci Solutions
720 Third Avenue, Suite 1000
Seattle, WA 98104

Shi International Corp
Greg Rohleder & Jenny Francis
290 Davidson Avenue
Somerset, NJ 08873

Theracom, LLC
Bayer Women's Healthcare LLC
Claudia Friedman
3101 Gaylord Parkway
Mail Stop: 2NC155
Frisco, TX 75034

United Biologics, LLC
Dba United Allergy Services
70 NE Loop 410, Suite 600
San Antonio, TX 78216